

6 February 1975

MEMORANDUM FOR: [REDACTED]
Chairman, DDA Inflation Study Group

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SUBJECT : Some Thoughts for Starters

1. First, let me say how pleased I am to be able to participate with you and the other members of the Study Group on the inflation project as assigned by [REDACTED]. I shall be pleased to do anything I can to help make this project a highly successful one.

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2. I should also tell you that I will be attending a training course 10-14 and 21 February 1975. During that time, I can be reached on [REDACTED] and can be readily available for any discussions or meetings directed.

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3. With regard to your request for ideas on how to go about approaching this project, I would like to pass on the following initial thoughts for possible use and discussion; they are not listed in any particular sequence or priority and many of them are obvious:

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- a. We might want to get someone from the Comptroller's Office to participate with us. In earlier discussions with [REDACTED] I believe he mentioned that [REDACTED] Planning Systems Group, Office of Comptroller, [REDACTED] was helpful for data on the DDS&T study on R&D inflation. Stan may have additional ideas on this.
- b. Decide what research areas are to be covered for developing a data base. What outside sources could we use, i.e., GSA, Wharton, other?
- c. Discuss areas of responsibility for Study Group members. OL, OP,*and OC will be covered by Study *OS Group representation but there remains coverage of OF, OJCS, OMS, OTR, ISAS, [REDACTED] as appropriate.
- d. Determine what method we should use, i.e., written requests, discussions, to gather input from DDA Offices.
- e. Determine and agree on an initial outline for the prepared document.
- f. What assumptions do we use?

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g. Review costs for operating the Headquarters complex during the past years to the present SLUC system. Look at costs for the commercial buildings. Input from the Building Planning Committee may be valuable.

h. Study or make a comparison of savings from personnel reductions being cranked back into spiraling equipment and other operating costs. STATINTL

i. Compare operating costs of [] STATINTL

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k. Cover the spectrum on procurement costs; transportation; equipment and other rentals. Give "shock" data.

l. Establish a periodic review schedule to see and track how we are doing.

m. Can we determine what activities or projects have been dropped or reduced due to inflation? Energy crisis impacts?

4. While talking to C/ISAS this morning on other business, I told him about the study on inflation. He readily agreed to pull together some input he thought might be useful. I think we might want to also tie in the use of COM as a paper saving and storage reduction asset.

5. Thinking about the end product and recommendations resulting from this study I have pulled together the various replies to the DCI memo of November 1974 on "Fighting Inflation and Reduction of Operating Costs." This information is not earth shaking but might be useful to us. Also, in today's Management Conference with OC, [] had some most revealing statistics on Communications equipment. [] recommended that this type of data would be useful to the DCI in his budget meetings with Congress. We might have a good end product right here, among others. STATINTL

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